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CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

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15 # 0179373

MEMORANDUM FOR: Mr. Archibald Alexander, Assistant Director, Economics
Bureau, Arms Control and Disarmament Agency

SUBJECT: Proposed Study on the Structure of Soviet Industry with
Reference to the Production of Weapons

REFERENCE: ACDA/E Draft Study Proposal of November 12, 1963, same
Subject

1. The referenced study proposal covers two topics: (a) a detailed study on all Soviet plants involved in the production of weapons and the structural relationships among them, and (b) a means for estimating the impact of limitations on Soviet weapons production. In our view, this later topic suggests a requirements for something akin to an input-output table which would permit the tracing of the effects of the reduction of weapons production. This letter deals only with the first of these topics; the ramification of the second is still being discussed in CIA.

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2. As a result of your discussions of 15 January with [REDACTED] and other CIA personnel, we understand that the emphasis for intelligence support has shifted. Instead of the detailed study of the structure of the Soviet weapons industries, ACDA now wants to know whether we could evaluate the accuracy of a Soviet declaration (made under a proposed agreement) which lists weapons plants, especially those involved in the production of strategic offensive and defensive systems.

~~TOP SECRET~~

3. There is no question that we in the US intelligence community are currently in the best position of any organization in the West to evaluate the accuracy of such a Soviet declaration. The degree of our confidence, however, varies considerably depending on the weapons concerned. Generally, we have high confidence in our evaluation of facilities capable of producing strategic aircraft and submarines. We have considerable knowledge of many plants that have produced a wide variety of ground force equipment, although we may not know whether these plants are currently engaged in such production.

4. Our knowledge concerning Soviet facilities for the production of missile systems is far more limited. There are a number of facilities which are suspected of being involved in the production of missiles. A few of these are almost certainly involved in the production of strategic missiles. The role of the remainder of the suspect missile facilities is much less certain. In some cases, we have considerable confidence that a facility is involved in the production of missiles, but we cannot determine whether the plant is producing rocket engines, or assembling the entire missile, or both. In other cases, we can only suspect that the plant may be involved in some undetermined production for the missile program. Furthermore, it is probable that there are other missile assembly or rocket plants engine plants in the USSR which we do not now suspect.

5. The determination of the location of Soviet missile plants and their rates of production has been one of the highest priority intelligence objectives for about ten years. Every effort has been made to improve our knowledge in this field. Although progress has been made, the basic

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difficulty remaining is our inability to collect the basic pertinent data on these production facilities.

6. Even where there is considerable uncertainty about the role of certain industrial facilities and direct information is currently lacking, the intelligence community can evaluate Soviet declarations. In this respect the following quote from the Intelligence Study Group Report of July 1962 (Appendix II, page 5) is still highly pertinent:

"It should be said first that intelligence will almost certainly not be without resources for evaluating a declaration in a general way. Intelligence analysts have developed background and a body of experience from which Soviet declarations can be judged. Analysts have a "sense" or "feel," which, together with such specific knowledge as they may possess, would enable them to say, for example, that the Soviet declaration is highly suspicious, that it is not consistent with other information, that it is on its face reasonable, etc. Such things could be said when intelligence could not determine conclusively that the declaration was true or false, or that specific portions of it were true or false."

6. With respect to contractual support from firms outside the Government, we can anticipate no need for such support at this time. Should some problems arise when declarations are made which require judgments of specialists outside the Government, the intelligence community has a large number of knowledgeable consultants who can be called upon on short notice to provide such assistance.

7. In short, we are prepared to accept the responsibility for evaluating Soviet declarations which list weapon plants. We will discuss the second task -- that of estimating the impact on the Soviet economy of limitations on weapons production -- with either you or your staff in the near future.

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